

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01578A  
Aguila Water Services, Inc.  
P. O. Box 1086  
Sun City AZ ~~85372~~ 85372-1086

PLEASE CHANGE ZIP CODE TO ABOVE

**ANNUAL REPORT**

**RECEIVED**

JAN 18 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

**Company Name (Business Name)** AGUILA WATER SERVICES, INC.

**Mailing Address** BOX 1086

SUN CITY

(Street)

AZ

(State)

85372-1086

(Zip)

623 566 0167

623 566 0167

602 527 6335

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** N/A

**Local Office Mailing Address** SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** FELIX (ANDY) BONNET

(Name)

PRESIDENT

(Title)

7820 WEST PINNACLE PEAK ROAD

(Street)

PEORIA

(City)

AZ

(State)

85383-1673

(Zip)

623 566 0167

623 566 0167

602 527 6335

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** N/A

**On Site Manager:** JAKE SCHMID

(Name)

BOX 68

(Street)

AGUILA

(City)

AZ

(State)

85320-0068

(Zip)

928 685 3098

928 685 3098

602 290 7321

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** N/A

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** VICTORIA H. BONNET

(Name)

7820 WEST PINNACLE PEAK ROAD PEORIA AZ 85383-1673

(Street)

(City)

(State)

(Zip)

623 566 0167

623 566 0167

602 527 0516

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** NORMAN D. JAMES

FENEMORE & CRAIG

(Name)

3003 NORTH CENTRAL AVE. STE. 2600 PHOENIX AZ. 85012-2913

(Street)

(City)

(State)

(Zip)

602 916 5346

602 916 5546

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME** AGUILA WATER SERVICES, INC.

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	600		600
304	Structures and Improvements	25,431	16,777	8,654
307	Wells and Springs	112,039	34,430	77,609
311	Pumping Equipment	57,470	32,293	25,177
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	95,995	32,146	63,849
331	Transmission and Distribution Mains	239,454	194,824	44,630
333	Services	31,756	30,333	1,423
334	Meters and Meter Installations	36,107	30,464	5,643
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	17,067	16,729	338
340	Office Furniture and Equipment	18,431	18,114	317
341	Transportation Equipment	106,380	96,163	10,217
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>740,729</b>	<b>502,273</b>	<b>238,457</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** AGUILA WATER SERVICES, INC.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	600		
304	Structures and Improvements	25,431	4.48	1,138
307	Wells and Springs	112,039	7.70	8,623
311	Pumping Equipment	57,470	6.96	4,000
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	95,995	7.56	7,256
331	Transmission and Distribution Mains	239,454	2.08	4,981
333	Services	31,756	.91	288
334	Meters and Meter Installations	36,107	2.81	1,016
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	17,067	.26	45
340	Office Furniture and Equipment	18,431	3.13	577
341	Transportation Equipment	106,380	24.39	25,946
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>740,729</b>		<b>53,870</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

AGUILA WATER SERVICES, INC.

**BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 2,408	\$ 7,166
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	18,297	16,599
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,902	2,902
162	Prepayments	16,393	19,313
174	Miscellaneous Current and Accrued Assets	251	251
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 40,251	\$ 46,231
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 608,496	\$ 615,918
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(380,820)	(393,152)
121	Non-Utility Property	97,676	124,811
122	Accumulated Depreciation – Non Utility	(67,583)	(109,120)
	<b>TOTAL FIXED ASSETS</b>	\$ 257,769	\$ 238,457
	<b>TOTAL ASSETS</b>	\$ 298,020	\$ 284,688

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME AGUILA WATER SERVICES, INC.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 38,282	\$ 30,307
232	Notes Payable (Current Portion)	31,250	31,250
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	21,438	23,068
236	Accrued Taxes	4,255	4,306
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 95,225	\$ 88,931
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 293,794	\$ 287,536
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	28,851	34,041
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	373	373
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 29,224	\$ 34,414
	<b>TOTAL LIABILITIES</b>	\$ 418,243	\$ 410,881
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 29,365	\$ 29,365
211	Paid in Capital in Excess of Par Value	48,006	48,006
215	Retained Earnings	(197,594)	(203,564)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (120,223)	\$ (126,193)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 298,020	\$ 284,688

**COMPANY NAME** AGUILA WATER SERVICES, INC.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 203,315	\$ 204,158
460	Unmetered Water Revenue		
474	Other Water Revenues	1,190	1,960
	<b>TOTAL REVENUES</b>	\$ 204,505	\$ 206,118
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 79,498	\$ 79,246
610	Purchased Water		
615	Purchased Power	9,754	13,592
618	Chemicals	2,835	2,601
620	Repairs and Maintenance	6,997	1,617
621	Office Supplies and Expense	3,539	2,527
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses	9,770	6,516
657	Insurance – General Liability	7,781	7,797
659	Insurance - Health and Life	6,075	8,260
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	36,313	19,145
403	Depreciation Expense	76,466	53,870
408	Taxes Other Than Income	7,010	5,130
408.11	Property Taxes	3,196	
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 249,234	\$ 200,301
	<b>OPERATING INCOME/(LOSS)</b>	\$ (44,729)	\$ 5,817
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 13	\$ 2
421	Non-Utility Income	5,070	
426	Miscellaneous Non-Utility Expenses	(2,933)	
427	Interest Expense	(16,384)	(11,788)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (14,234)	\$ (11,786)
	<b>NET INCOME/(LOSS)</b>	\$ (58,963)	\$ (5,969)



**COMPANY NAME**

AGUILA WATER SERVICES, INC.

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	MARCH 23 01			
Source of Loan	WIFA			
ACC Decision No.	63333			
Reason for Loan	SYSTEM IMP- ROVEMENTS			
Dollar Amount Issued	\$ 250000.00	\$	\$	\$
Amount Outstanding	\$ 208459.00	\$	\$	\$
Date of Maturity	02/08/18			
Interest Rate	6.38% %	%	%	%
Current Year Interest	\$ 12488.00	\$	\$	\$
Current Year Principle	\$ 13600.00	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 8067.00

Meter Deposits Refunded During the Test Year

\$ 839.00

**COMPANY NAME** AGUILA WATER SERVICES, INC.

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-086985	50	250	800	12	4	1969
55-592364	50	250	900	10	6	2002

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
NONE	-0-	-0-

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
25	2	-0-	-0-
5	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
100,000	1	5000	2
15,000	2	2000	1

COMPANY NAME AGUILA WATER SERVIES, INC.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	29405
3	PVC	4147
4	PVC	16684
5	N/A	
6	PVC	24495
8	N/A	
10	N/A	
12	N/A	
3	AC	2600
4	AC	2250
6	AC	4680

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	196
3/4	0
1	69
1 1/2	3
2	3
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

NONE

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**STRUCTURES:**

SHOP BUILDING

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**OTHER:**

Equipment incidental to the opertation of a water utility.

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COMPANY NAME: AGUILA WATER SERVICES, INC.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	284	2409500	2450200
FEBRUARY	283	2229400	2339700
MARCH	284	1982700	2169200
APRIL	286	2578800	2834700
MAY	289	2804700	2878300
JUNE	294	3266100	3720000
JULY	291	4079000	4365900
AUGUST	294	3619700	3995000
SEPTEMBER	291	3852400	4266800
OCTOBER	293	3175600	3484200
NOVEMBER	291	2653900	2865200
DECEMBER	291	2074500	2317200
TOTAL			37686400

34,726,300

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

( ) Yes (x) No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

( ) Yes (x) No

**If yes, provide the GPCPD amount:** N/A

**What is the level of arsenic for each well on your system.** 5ppb mg/l

*(If more than one well, please list each separately.)*

Well #1 & Well #2

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME AGUILA WATER SERVICES, INC. YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

Will Provide

Tax into

Later

**COMPANY NAME** AGUILA WATER SERVICES, INC.

**YEAR ENDING 12/31/2004**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

NOT APPLICABLE

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

APR 26 2005

AZ 00000000000000000000  
Director of Finance

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>MARICOPA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>FELIX A. BONNET      PRESIDENT</b>
COMPANY NAME <b>AGUILA WATER SERVICES, INC.</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 217,780

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ \_\_\_\_\_  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Felix A. Bonnet  
SIGNATURE OF OWNER OR OFFICIAL  
623 566 0167  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

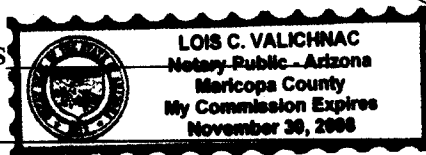
20

DAY OF

COUNTY NAME <b>MARICOPA</b>	
MONTH <b>APRIL</b>	<b>2005</b>

(SEAL)

MY COMMISSION EXPIRES



Lois C. Valichnac  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

APR 26 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	
MARICOPA	
NAME (OWNER OR OFFICIAL) FELIX A. BONNET	TITLE PRESIDENT
COMPANY NAME AGUILA WATER SERVICES, INC.	

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 217,780

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 13,049  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Felix A Bonnet  
SIGNATURE OF OWNER OR OFFICIAL

623 566 0167

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

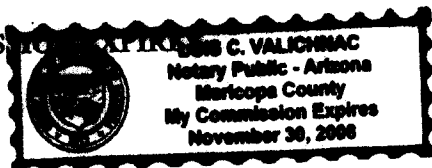
THIS

20th

DAY OF

(SEAL)

MY COMMISSION



NOTARY PUBLIC NAME LOIS C VALICHNAC	
COUNTY NAME MARICOPA	
MONTH APRIL	2005

Lois C. Valichnac  
SIGNATURE OF NOTARY PUBLIC